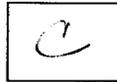
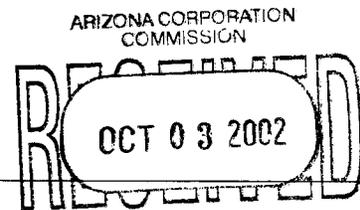


ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



W-02721A  
Carter's Water Company  
1157 East Sunset Drive  
Casa Grande, AZ 85222



Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

10/3/02 cm

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>CARTER WATER COMPANY</u>		
Mailing Address <u>P.O. Box 1545</u> <small>(Street)</small>		
<u>COOLIDGE</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>85228</u> <small>(Zip)</small>
<u>520-836-5300</u>		<u>520-705-1932</u>
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>
Email Address <u>agcarone@cgmailbox.com</u>		
Local Office Mailing Address <u>1157 E. SUNSET DRIVE</u> <small>(Street)</small>		
<u>CASA GRANDE</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>85222</u> <small>(Zip)</small>
<u>Same as above.</u>		
<small>Local Office Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>
Email Address <u>agcarone@cgmailbox.com</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Gene D. Carter</u> <span style="float: right;"><u>Owner/operator</u></span>			
	<small>(Name)</small>		<small>(Title)</small>
<u>3951 N. Wheeler Road</u> <small>(Street)</small>	<u>COOLIDGE</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>85228</u> <small>(Zip)</small>
<u>520-836-5300</u>		<u>520-705-1932</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
Email Address <u>agcarone@cgmailbox.com</u>			
<b>On Site Manager:</b> <u>Anthony Carter</u>			
	<small>(Name)</small>		
<u>4163 N. Wheeler Road</u> <small>(Street)</small>	<u>Coolidge</u> <small>(City)</small>	<u>Az</u> <small>(State)</small>	<u>85228</u> <small>(Zip)</small>
<u>520-723-5539</u>		<u>-0-</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
Email Address <u>-0-</u>			

**Statutory Agent:** Gene D. Carter

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** David Fitzgibbons

(Name)

711 E. Cottonwood Lane

Casa Grande

Arizona

85222

(Street)

(City)

(State)

(Zip)

520-426-3824

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> <b>Sole Proprietor (S)</b> | <input type="checkbox"/> <b>C Corporation (C) (Other than Association/Co-op)</b> |
| <input type="checkbox"/> <b>Partnership (P)</b>                | <input type="checkbox"/> <b>Subchapter S Corporation (Z)</b>                     |
| <input type="checkbox"/> <b>Bankruptcy (B)</b>                 | <input type="checkbox"/> <b>Association/Co op (A)</b>                            |
| <input type="checkbox"/> <b>Receivership (R)</b>               | <input type="checkbox"/> <b>Limited Liability Company</b>                        |
| <input type="checkbox"/> <b>Other (Describe)</b>               |  |

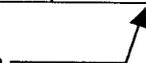
### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> <b>APACHE</b>     | <input type="checkbox"/> <b>COCHISE</b>  | <input type="checkbox"/> <b>COCONINO</b>         |
| <input type="checkbox"/> <b>GILA</b>       | <input type="checkbox"/> <b>GRAHAM</b>   | <input type="checkbox"/> <b>GREENLEE</b>         |
| <input type="checkbox"/> <b>LA PAZ</b>     | <input type="checkbox"/> <b>MARICOPA</b> | <input type="checkbox"/> <b>MOHAVE</b>           |
| <input type="checkbox"/> <b>NAVAJO</b>     | <input type="checkbox"/> <b>PIMA</b>     | <input checked="" type="checkbox"/> <b>PINAL</b> |
| <input type="checkbox"/> <b>SANTA CRUZ</b> | <input type="checkbox"/> <b>YAVAPAI</b>  | <input type="checkbox"/> <b>YUMA</b>             |
| <input type="checkbox"/> <b>STATEWIDE</b>  |  |  |

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	- 0 -		
302	Franchises	- 0 -		
303	Land and Land Rights	3000.00	- 0 -	3000.00
304	Structures and Improvements	400.00	400.00	- 0 -
307	Wells and Springs	3000.00	3000.00	- 0 -
311	Pumping Equipment	4685.00	4685	- 0 -
320	Water Treatment Equipment	50.00	50.00	- 0 -
330	Distribution Reservoirs and Standpipes	2000.00	2000.00	- 0 -
331	Transmission and Distribution Mains	1800.00	1800.00	- 0 -
333	Services	300.00	300.00	- 0 -
334	Meters and Meter Installations	1066.00	1066.00	- 0 -
335	Hydrants	- 0 -		
336	Backflow Prevention Devices	160.00	160.00	- 0 -
339	Other Plant and Misc. Equipment	7950.00	4350.00	3600.00
340	Office Furniture and Equipment	- 0 -		
341	Transportation Equipment	- 0 -		
343	Tools, Shop and Garage Equipment	200.00	200.00	- 0 -
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	24,611.00	18011.00	6600.00

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
35	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3600.00	17.85	643.00
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	3600.00	17.85	643.00

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ -0-	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 7950.00	\$ 7950.00
103	Property Held for Future Use		
105	Construction Work in Progress		
08	Accumulated Depreciation – Utility Plant	4350.00	4993.00
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 3600.00	\$ 2957.00
	<b>TOTAL ASSETS</b>	\$ 3600	\$ 2957.00

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

ct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ <u>  0  </u>	\$ <u>  0  </u>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ <u>  0  </u>	\$ <u>  0  </u>
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
1	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ <u>  0  </u>	\$ <u>  0  </u>
	<b>TOTAL LIABILITIES</b>	\$ <u>  0  </u>	\$ <u>  0  </u>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	2957.00	2957.00
	<b>TOTAL CAPITAL</b>	\$ 2957.00	\$ 2957.00
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 2957.00	\$ 2957.00

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue	2530.00	3000.00
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 2530.00	\$ 3000.00
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	1860.00	2400.00
618	Chemicals	50.00	50.00
620	Repairs and Maintenance	1420.00	788.00
621	Office Supplies and Expense	85.00	100.00
630	Outside Services	75.00	546.00
635	Water Testing		
641	Rents	118.00	
650	Transportation Expenses	250.00	300.00
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
665	Miscellaneous Expense		
403	Depreciation Expense	600.00	643.00
408	Taxes Other Than Income		
408.11	Property Taxes	632.00	673.00
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 5040.00	\$ 5600.00
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ (2510.00)	\$ (2600.00)

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

*N/A*

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME CARTER WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
C55638440	1	30 gpm	6"	1"

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
-o-		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 4,998

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1/2	1	-o-	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1500 gal	1	3500	1

STATISTICAL INFORMATION

carter water company

Total number of customers 35

Total number of gallons sold 4,998,000 gallons

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	_____
Estimated or Actual Federal Tax Liability	_____
State Taxable Income Reported	_____
Estimated or Actual State Tax Liability	_____
Amount of Grossed-Up Contributions/Advances:	_____
Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

*Gene D. Carter*

SIGNATURE

9/25/02

DATE

GENE D. CARTER

PRINTED NAME

OWNER/OPERATOR

TITLE

COMPANY NAME CARTER WATER COMPANY

YEAR ENDING 12/31/2001

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 707.83

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

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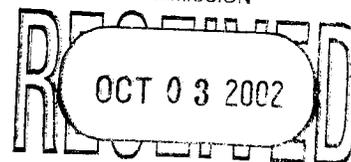
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**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) PINAL		Director of Justice
NAME (OWNER OR OFFICIAL) GENE D. CARTER	TITLE OWNER/OPERATOR	
COMPANY NAME CARTER WATER COMPANY		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ (-\$2600.00 )

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ -0- IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

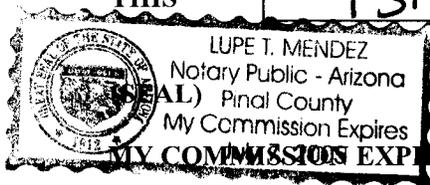
X Gene D. Carter  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1st DAY OF

NOTARY PUBLIC NAME	Lupe T. Mendez	
COUNTY NAME	Pinal	
MONTH	October	20 02



X Lupe T. Mendez  
SIGNATURE OF NOTARY PUBLIC

# Pinal County Treasurer TAX RECEIPT

PO Box 729

Florence, AZ 85232-0729

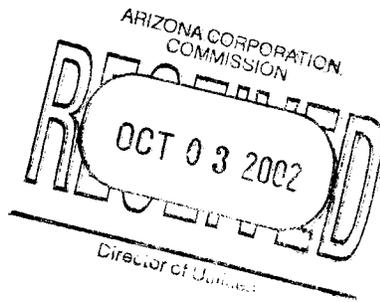
Phone: (520) 868-6412 Fax: (520) 868-9007

www.co.pinal.az.us/treasurer

e-mail: treasurer@co.pinal.az.us

Paid By: CARTER GENE D & ALICE L  1157 E SUNSET DR CASA GRANDE, AZ 85222	CNTR Batch: 1999813 Payment Date: 1/22/2002 Interest Date: 1/22/2002 Printed By: TRSDSH
---	--

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
400-37-00103	1999 Int/Fee	43.31		
	1999 Cert	393.73		
	*** Certificate Redeemed			
	Paid	437.04		
400-37-00103	2000 Taxes	673.42		
	2000 Int/Fee	141.41		
	Paid	814.83		
400-37-00103	2001 Taxes	346.98		
	2001 Int/Fee	13.87		
	Paid	360.85	346.98	05/01/2002
	<b>Total Paid</b>	<u>1,612.72</u>		
WHEELER SUBD: TRT 11 5.42 AC				



P.O. Box 1545  
Coolidge, Arizona 85228  
September 30, 2002

Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, Arizona 85007

Dear Sir:

I'm sorry that I could not get this report in on time. I had a very rough summer. In June, I had a colonoscopy and the doctor discovered 4 large polyps and 2 small ones. He removed them by electrocautery. A week later, my wife, son, and I were traveling through Missouri. I suddenly felt ill and had a serious bleed. The hospital in Columbia, Mo, estimated that I lost a quart and a half of blood. I flew back to Denver and recuperated for a week and then my wife, Alice, and I drove back to Casa Grande.

A few days later, our daughter, Celeste, called to tell us that our 20 year old granddaughter was having seizures and that the seizures had destroyed her brain. Three days later, we lost Elyssa. It was a real shock.

In the meantime, school has started and I am working full time. It really doesn't leave much time for anything else.

I was able to enlist my bookkeeper's help or I would still be struggling with it.

Thanks for being patient with me.

Sincerely yours,

A handwritten signature in cursive script that reads "Gene D. Carter".

Gene D. Carter  
Carter Water Company